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**CENTRAL INTELLIGENCE GROUP  
INTELLIGENCE REPORT**

COUNTRY Germany/Russian Zone

DATE:

INFO

SUBJECT Report on SED Finances

DIST. 31 March 1947 50X1-HUM

PAGES 2

SUPPLEMENT

50X1-HUM

ORIGIN

## DISTRIBUTION

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STATE	WAR	NAVY	JUSTICE

Receipts

The SED draws its income from the following sources:

1. Russia: From the proceeds of real and personal property confiscated from Nazis and war criminals, and from Party, State and Wehrmacht organizations declared to be criminal organizations. It is impossible even to estimate the total; figures quoted vary between RM.18,000,000 and RM.32,000,000.

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There are various versions of the details. According to one [ ] this money takes the form, at least in part, of Devisen. The SED, for instance, had to pay the Russians for the paper used during the election campaign. The Russians, who had supplied the paper themselves, then used these Devisen to import into the USSR higher quality paper [ ] It is also stated that Russia makes payments into SED funds from reparation deliveries.

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2. The sequestration of factories, which are taken over by dummies appointed by the SED. It is said that the SED receives ca. RM.7,000,000 per annum, a figure which includes the so-called "anerkennungsgebühren", payments which are extracted from the new owners of the factories in acknowledgement of the fact that the SED was the Party responsible for sequestration.
3. Estates expropriated in the course of the "Bodenreform", which have passed into possession of the SED as training schools and holiday and convalescent homes. These estates continue to be farmed, and the produce and income therefrom in theory are used for the upkeep of the institutions on them. It is well-known, however, that the surplus finds its way into the coffers of the SED. The SED is said to own thirty such estates, and an estimated average profit of RM.25,000, a low figure, would give a total income from this source of RM.750,000 per annum.
4. The co-operative societies, also make a fixed payment to the SED. It is impossible to estimate this total, but it is thought that it is not very high in the present stage of the development of the co-operatives.
5. Newspapers controlled by the SED. The total daily circulation is 2,000,000, and if the SED merely receives 1 pfennig per copy this would mean a daily income of RM.20,000 to say nothing of similar receipts from weeklies and monthlies.

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6. The SED also receives large sums, which cannot be estimated, from its share in the publishing firm of "Volk und Wissen" (the newspapers are published by this firm, but are managed and accounted for separately, hence their inclusion in paragraph 5 above).
7. Members subscriptions. It is difficult to estimate this total, as subscriptions are fixed on a sliding scale in keeping with the income of the individual. The minimum is RM.1 a month, though very many members pay a subscription of several hundred marks a month. Kreis Berlin-Charlottenburg for instance, does very well, although the membership figure is not much higher than 900, for the average subscription is about RM.6.50. The SED has about 600,000 enrolled members; an average subscription of RM.2 would therefore give a total of RM.1,200,000, but the actual total is probably considerably higher.

Expenditure

8. The SED needs a considerable sum each month to pay its inflated administrative apparatus. For instance, three Landkreise with about 2,000 enrolled members each have respectively 16 full-time officials and clerks (Perleberg), 21 (Wernigerode), 17 (Halberstadt); the average salary is about RM.400 a month. Further, there are numerous full-time officials and clerks in the Ortsgruppenleitungen. The Landesleitungen have such huge staffs that they can well be compared to Ministries, while the SED Zentralverwaltung in Berlin has a pay-roll of over 500.

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